

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA :
v. : Criminal
No. 98-427
THOMAS BRODO, JAMES BROWN : TRANSCRIPT OF
and RICHARD CALANNI, : PROCEEDINGS
Defendants. :


-----X
Newark, New Jersey
December 1, 1998

BEFORE:

THE HON. ALFRED M. WOLIN, U.S.D.J.

Reported by:
CHARLES P. McGUIRE, C.S.R.
Official Court Reporter

Pursuant to Section 753, Title 28, United States Code,
the following transcript is certified to be an accurate
record as taken stenographically in the above entitled
proceedings.


CHARLES P. McGUIRE, C.S.R.

CHARLES P. McGUIRE, C.S.R.
OFFICIAL COURT REPORTER

1 APPEARANCES:

2 ALAN LIEBMAN, Assistant U.S. Attorney,
3 On Behalf of the Government

4 HAYDEN & SILBER, ESQS.,
5 H. TODD HESS, ESQ.,
6 On Behalf of Defendant Brodo

7 JOHN MCGOVERN, ESQUIRE,
8 On Behalf of Defendant Brown

9 CHARLES M. MORIARTY, ESQUIRE,
10 On Behalf of Defendant Calanni

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FORM CSR - LABER REPORTERS PAPER & MFG. CO. 800-825-5313

CHARLES P. MCGUIRE, C.S.R.
OFFICIAL COURT REPORTER

5

1 THE COURT CLERK: No.

2 THE COURT: I'm sorry.

3 Please swear them.

4 THE COURT CLERK: Gentlemen, will you raise your right
5 hands and place your left hands on the bible?

6 T H O M A S G E O R G E B R O D O, sworn.

7 J A M E S R U D O L P H B R O W N, sworn.

8 R I C H A R D C A L A N N I, sworn.

9 THE COURT CLERK: Would each of you state your name
10 for the record, please?

11 DEFENDANT BRODO: Thomas George Brodo, B-r-o-d-o.

12 DEFENDANT BROWN: James Rudolph Brown.

13 DEFENDANT CALANNI: Richard Calanni.

14 THE COURT CLERK: Thank you.

15 THE COURT: And I take it, counsel, that you have no
16 objection to my engaging in an inquiry of your respective
17 clients.

18 MR. HESS: No objection.

19 MR. McGOVERN: No objection.

20 MR. MORIARTY: No objection.

21 THE COURT: We'll start where we were.

22 How old are you, Mr. Brodo?

23 DEFENDANT BRODO: Fifty-one, Your Honor.

24 THE COURT: Mr. Brown?

25 DEFENDANT BROWN: Forty-two.

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CHARLES P. MCGUIRE, C.S.R.
OFFICIAL COURT REPORTER

COM 00157

1 THE COURT: Did you generally understand that, in the
2 ordinary course, at the time of closing on a property which you
3 appraised, the mortgage loan proceeds would be sent by or
4 through the lender to an attorney for disbursement at the
5 closing?

6 DEFENDANT CALANNI: Yes, Your Honor, I did.

7 THE COURT: In this period, did you, by agreement and
8 understanding with others, issue appraisal reports which
9 overstated the value of the subject properties?

10 DEFENDANT CALANNI: Yes, Your Honor.

11 THE COURT: Were various of your reports false in
12 that, while the properties were actually in a state of
13 disrepair, you assigned values to them as if the properties had
14 been repaired and improved, without disclosing that important
15 fact in the resulting reports?

16 DEFENDANT CALANNI: True, Your Honor.

17 THE COURT: Did various of your reports falsely state
18 that the properties in their current "as is" condition required
19 no repairs?

20 DEFENDANT CALANNI: Yes, Your Honor.

21 THE COURT: Was it your understanding that a number of
22 the appraisal reports which you prepared in this period related
23 to properties as to which Walsh Securities was the lender?

24 DEFENDANT CALANNI: That's true, Your Honor.

25 THE COURT: At a meeting which occurred at Walsh

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CHARLES P. MCGUIRE, C.S.R.
OFFICIAL COURT REPORTER

COM 00203

EXHIBIT B

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
CRIMINAL NO. 98-427-3

UNITED STATES OF AMERICA, SENTENCE

vs.

RICHARD CALANNI,

Defendant.

COPY

October 10, 2001
Newark, New Jersey

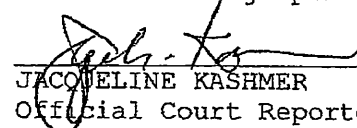
B E F O R E: HONORABLE ALFRED M. WOLIN, USDJ

A P P E A R A N C E S:

ALAIN LEIBMAN, Assistant U.S. Attorney
For the Government

WALDMAN & MORIARTY
BY: CHARLES M. MORIARTY, ESQ.
For the Defendant.

Pursuant to Section 753 Title 28 United States Code, the
following transcript is certified to be an accurate record
as taken stenographically in the above-entitled proceedings.


JACQUELINE KASHMER
Official Court Reporter

JACQUELINE KASHMER, C.S.R.
OFFICIAL COURT REPORTER
P. O. Box 12
Pittstown, NJ 08867
(609) 656-2595

1 with the government. On more than one occasion he brought
2 documents in to me that he found that I submitted to the
3 government to review on his own without them even looking
4 for it and he'll continue to do that.

5 We just ask the Court to allow him to stay with his
6 family, to work. He's never missed a day of work since
7 then. He's been a chauffeur, lost his license, voluntarily
8 turned it in, will lose it anyway as a result of his
9 conviction but he turned in it. He just wants to be with
10 his family, Judge. Thank you.

11 THE COURT: All right. Mr. Calanni, now is the
12 time afforded to you. I'll be pleased to hear anything
13 you'd like to say.

14 THE DEFENDANT: I'd like to, first of all, thank
15 the court for hearing me personally and my attorney and Mr.
16 Leibman, and understanding that the beginning where I was
17 kind of icy, as Mr. Leibman indicated, until I did get
18 counsel and understand where exactly this was going, and
19 what I have done with the work on my part I guess led to
20 an area of criminal activity and getting caught up in that.
21 Why it happened at this point is unimportant but it did
22 happen, and the pain and suffering from that and in
23 retrospect and how can you correct it, you can't, because
24 you can't do it again and you wouldn't even think of doing
25 it. It's caused my family pain. It's caused myself pain.

1 It caused us just to live with your name marked forever, and
2 the emotions is just more than anyone could have imagined.

3 I apologize to the Court and I think the greatest
4 effect that all this has had was with the society itself. I
5 used to come down here to pretrial and couldn't believe how
6 busy they were and just to see what was happening is sad.
7 And all I can do is apologize on my end and just want to go
8 on with my life and start a new but not forget the past, and
9 use that as part of my growth as opposed to denying it.

10 THE COURT: All right. Mr. Leibman, within the
11 terms of the plea agreement --

12 MR. LEIBMAN: Your Honor, the government has
13 nothing to add.

14 THE COURT: All right. I've heard you, Mr.
15 Calanni, and I think there is great emotion and pain
16 involved. Whenever anybody is charged with the commission
17 of a crime, the pain and emotion is not only yours, it's
18 everyone who cares about you, impacts your family. You hurt
19 a lot of people. You did eight fraudulent appraisals. You
20 heard me go, I know you heard before speaking about the real
21 estate market, how destructive flips are to our society, and
22 how it undermines the public confidence in land sales and
23 people like Mr. Grieser, who were allegedly the
24 beneficiaries of these land flips.

25 You weren't making the big money but you were a

1 link in the chain that permitted this to occur because
2 without the fraudulent appraisals with their falsely
3 inflated values, Banker's Trust and even Walsh Securities
4 could not have been victimized. So, you played a role in
5 that.

6 I think that it's important that you stand here
7 today and say I haven't forgotten the past and that the past
8 hopefully is going to be a foundation for the future because
9 we should always learn from what has occurred. There's not
10 a day that I come to this Court that I don't learn.
11 Sometimes I ask questions to increase my learning curve and
12 to develop insight into the human species that appears
13 before me, so, life is a constant learning experience and I
14 don't ask people to go out and commit crimes in order to
15 learn how they should live their life in the future, but
16 when it does occur, hopefully it's that type of experience
17 that will permit you to return to the normalcy of your life,
18 your church which you're involved with, whatever community
19 endeavors that you've been involved with in the past.

20 And, so, pursuant to the Sentencing Reform Act of
21 1984 and Section 5K1.1, it is the judgment of the Court that
22 you, Mr. Calanni, are hereby placed on probation for a term
23 of five years. While on probation you shall not commit
24 another federal, state or local crime, shall be prohibited
25 from possessing a firearm or other dangerous device, shall

EXHIBIT C

Calanni 1 10 07 dep transcript ASCII.txt

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1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF NEW JERSEY
3 CIVIL NO. 97-3496
4 -----
5 WALSH SECURITIES,
6 INC.,
7 Plaintiff,
8 v.
9 CRISTO PROPERTY
10 MANAGEMENT,
11 LTD., et al.,
12 Defendants.
13 and
14 COMMONWEALTH LAND
15 TITLE INSURANCE
16 COMPANY,
17 Defendant/
18 Third-Party
19 Plaintiff,
20 v.
21 ROBERT WALSH and
22 ELIZABETH ANN DE MOLA,
23 Third-Party
24 Defendants.
25 -----

DEPOSITION UPON
ORAL EXAMINATION
OF
RICHARD CALANNI

2

1 Calanni 1 10 07 dep transcript ASCII.txt
 2 T R A N S C R I P T of the stenographic
 3 notes of HOWARD A. RAPPAPORT, a Notary Public and
 4 Certified Shorthand Reporter of the State of
 5 New Jersey, Certificate No. XI00416, taken at the
 6 offices of BOIES, SCHILLER & FLEXNER, LLP
 7 150 John F. Kennedy Parkway, Short Hills, New Jersey,
 8 on Wednesday, January 10, 2007, commencing at 10:05 a.m.

9 A P P E A R A N C E S:

10 BOIES, SCHILLER & FLEXNER, LLP
 11 150 John F. Kennedy Parkway
 12 Short Hills, New Jersey 07078
 13 BY: ROBERT A. MAGNANINI, ESQ.,
 14 AMY WALKER WAGNER, ESQ.,
 15 For the Plaintiff

16 MC CARTER & ENGLISH, LLP
 17 Four Gateway Center
 18 100 Mulberry Street
 19 Newark, New Jersey 07102-0652
 20 BY: DAVID R. KOTT, ESQ.,
 21 For Defendant/Third-Party Plaintiff Commonwealth Land
 22 Title Insurance Company

23 FOX, ROTHSCHILD, O'BRIEN & FRANKEL
 24 2000 Market Street
 25 Philadelphia, Pennsylvania 19103
 BY: EDWARD J. HAYES, ESQ.,
 For Defendants Nations Title Insurance and
 Fidelity National Title Insurance

METHFESSEL & WERBEL
 3 Ethel Road
 Suite 300
 Edison, New Jersey 08818
 BY: KEITH MURPHY, ESQ.,
 For the Defendants

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1
 2 I N D E X
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 4 WITNESS PAGE
 5 RICHARD CALANNI
 6 Direct examination by Mr. Kott
 Page 2

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Cross-examination by Mr. Hayes

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Calanni - direct

1 R I C H A R D C A L A N N I, having been first
2 duly sworn, testifies as follows:
3 DIRECT EXAMINATION BY MR. KOTT:
4 Q Mr. Calanni, I attempted to serve a
5 subpoena on you. I'm not sure we ever made service.
6 I think you are here because you
7 received in the mail my letter, but I note from
8 talking to either my secretary or to me, you had
9 indicated you didn't get a witness appearance fee for

10 Calanni 1 10 07 dep transcript ASCII.txt
today.

11 I brought with me McCarter check number
12 345058 dated December 27, 2006, payable to you in the
13 amount of \$85.11.

14 MR. KOTT: Unless some counsel says
15 there is something improper about me providing
16 Mr. Calanni with a witness fee and mileage --

17 MR. MAGNANINI: No.

18 MR. KOTT: I'm handing that to
19 Mr. Calanni.

20 Q Mr. Calanni, my name is David Kott. We
21 met on a few occasions in this case.

22 I think you know I'm a lawyer and I
23 represent one of the defendants, Commonwealth Land
24 Title, in the lawsuit that Mr. Magnanini has started
25 on behalf of Walsh Securities.

5

Calanni - direct

1 The lawyer to my left is Ed Hayes.
2 Mr. Hayes represents two other title insurance
3 companies who have also been sued, and the lawyer to
4 his left is an attorney whose name I do not know.

5 MR. MURPHY: Keith Murphy.

6 Q Keith Murphy, who is here representing a
7 title agent and Coastal Title, who also has been sued
8 by Mr. Magnanini on behalf of Walsh.

9 What we are doing today is a deposition.
10 Have you ever done this before?

11 A No.

12 Q Let me -- you testified under oath, is
13 that correct?

Calanni 1 10 07 dep transcript ASCII.txt

14 A No.
15 Q I read your plea and your sentencing.
16 Were they under oath?
17 A I don't think so.
18 Q Okay.
19 Let me tell you some ground rules for
20 today's deposition. The man to your left, Howard
21 Rappaport, is a court reporter, and he will take down
22 everything that is stated in the deposition.
23 For that reason you need to answer out
24 loud. You cannot answer with a nod of the head or
25 things like that because Mr. Rappaport cannot take

6

Calanni - direct

1 down a nod of the head.
2 Do you understand that?
3 A Yes, I do.
4 Q Do you also understand that a deposition
5 is a question and answer period where the attorneys
6 are asking the questions and you, as a witness, is
7 giving the answers?
8 A Yes.
9 Q If you are asked a question today and
10 you do not understand the question, will you tell us
11 you do not understand it?
12 A Absolutely.
13 Q So if you answer a question today, we
14 will assume that you understood it. Is that okay
15 with you?
16 A If I answer a question today, it's -- as

EXHIBIT D

Calanni 1 22 07 dep transcript ASCII.TXT

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1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF NEW JERSEY
3 CIVIL NO. 97-3496
4 WALSH SECURITIES, INC., :
5 Plaintiff, : CONTINUED
6 -vs- : DEPOSITION UPON
7 CRISTO PROPERTY MANAGEMENT, : ORAL EXAMINATION
8 LTD., et al., : OF
9 Defendants, : RICHARD CALANNI
10 -and- : Volume 2
11 COMMONWEALTH LAND TITLE :
12 INSURANCE COMPANY, :
13 Defendant/Third Party :
14 Plaintiff, :
15 -vs- :
16 ROBERT WALSH and :
17 ELIZABETH ANN DE MOLA, :
18 Third-Party :
19 Defendants. :
20 - - - - -

18 T R A N S C R I P T of the
19 stenographic notes of STANLEY B. RIZMAN, a Notary
20 Public and Certified Shorthand Reporter of the State
21 of New Jersey, Certificate No. XI00304, taken at
22 the offices of Boise, Schiller & Flexner, LLP,
23 150 John F. Kennedy Parkway, Short Hills, New
24 Jersey, on Monday, January 22, 2007, commencing at
25 10:23 a.m.

♀

163

1 A p p e a r a n c e s :
2 BOIES, SCHILLER & FLEXNER, LLP
3 150 John F. Kennedy Parkway
Short Hills, New Jersey 07078
BY: ROBERT A. MAGNANINI, ESQ., and
Page 1

4 Calanni 1 22 07 dep transcript ASCII.TXT
 5 AMY WALKER WAGNER, ESQ.
 6 For the Plaintiff
 7
 8 MC CARTER & ENGLISH, LLP
 9 Four Gateway Center
 10 Newark, New Jersey 07102-0652
 11 BY: DAVID R. KOTT, ESQ.
 12 For Commonwealth Land Title Insurance Company
 13
 14 FOX, ROTHSCHILD, O'BRIEN & FRANKEL, ESQS.
 15 2000 Market Street
 16 Philadelphia, Pennsylvania 19103?
 17 BY: ANTHONY ARGIROPOULOS, ESQ.
 18 For Nations Title Insurance and
 19 Fidelity National Title Insurance
 20
 21 METHFESSEL & WERBEL, ESQS.
 22 Three Ethel Road
 23 Suite 300
 24 Edison, New Jersey 08818
 25 BY: MARTIN R. MC GOWAN, ESQ.
 For Coastal Title Agency.

♀

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Calanni-3 Document dated 6-24-97 286

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1 R I C H A R D C A L A N N I, residing at
2 One Old Farm Road, Tinton Falls, New Jersey,
3 being first duly sworn, testifies as follows:
4 DIRECT EXAMINATION
5 BY MR. MAGNANINI:
6 Q Mr. Calanni, thank you for coming back.
7 I think I got this stuff streamlined so we can get
8 this done relatively quickly. Most of my questions
9 are follow-ups to questions that were asked at the
10 last session. So if I'm jumping around a bit and
11 you need some clarification or context, just ask me.
12 A Okay.
13 Q You recall the instructions Mr. Kott

16 Calanni 1 22 07 dep transcript ASCII.TXT
asked you the questions what questions Judge Wolin
17 was going to ask you?

18 A Have I known? He was reading what was
19 in the plea.

20 Q That is my question. Before Judge
21 Wolin read you those questions, did you see a piece
22 of paper that had the questions on them?

23 A Yes.

24 Q Had you gone over that with your
25 attorney?

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Calanni - direct

305

1 A Yes.

2 Q Did your attorney explain to you that
3 you were going to be under oath before Judge Wolin
4 and, therefore, you had to be very careful to be
5 truthful?

6 A Yes.

7 Q Your attorney told you when he told you
8 that because if you were not truthful before Judge
9 Wolin that could be a different crime; that is,
10 perjury?

11 A No.

12 Q Were the questions -- withdrawn.
13 Were your answers to the questions
14 Judge Wolin asked you that are in Calanni-1, the
15 transcript of your plea -- were your answers
16 truthful to his questions?

17 A My answers were truthful according to
18 the description the way the federal law was told to
19 me. That was told to me; that parts of these took
20 place in my presence. That is someone else's truth

Calanni 1 22 07 dep transcript ASCII.TXT
21 and federal law there is no intent. As long as you
22 were part of a little bit of this and a little bit
23 of that, you're guilty.

24 Now, don't make me a perjurer because
25 that's the way the law was defined to me in a

♀

Calanni - direct

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1 layman's term. I've explained everything to you the
2 way I explained it to the FBI and my attorney. You
3 know, I'm getting new problems here now? You're
4 telling me I'm perjurizing myself.

5 Q I'm not telling you that.

6 When Kellie O'Neill asked you to take
7 Cristo off as an owner, hadn't you done some
8 appraisals where you listed Cristo as an owner?

9 A That is why she took me to take the
10 name off. The name was on. The name, Cristo
11 Management, was on as an owner. I believe it was on
12 one or two of the comparables. I found a previous
13 owner.

14 Q I wanted to deal when Cristo was an
15 owner. Did you do some appraisals where the owner
16 was listed as Cristo?

17 A Yes.

18 Q Were those among the appraisals that
19 you were paid to do by either Kane or Cristo?

20 A Yes.

21 Q So wouldn't that be a conflict of
22 interest, to do an appraisal where you were paid by
23 the seller?

24 A No. Didn't Bob just say he hired an
25 appraiser for himself and he paid the appraiser?

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EXHIBIT E

Pierson Transcript.TXT

1

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF NEW JERSEY
3 CIVIL NO. 97-3496
4 -----
5 WALSH SECURITIES,
6 INC.,
7 Plaintiff,
8 v.
9 CRISTO PROPERTY
10 MANAGEMENT,
11 LTD., et al.,
12 Defendants.
13 and
14 COMMONWEALTH LAND
15 TITLE INSURANCE
16 COMPANY,
17 Defendant/
18 Third-Party
19 Plaintiff,
20 v.
21 ROBERT WALSH and
22 ELIZABETH ANN DE MOLA,
23 Third-Party
24 Defendants.
25 -----

DEPOSITION UPON
ORAL EXAMINATION
OF
ROLAND PIERSON

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Pierson Transcript.TXT
T R A N S C R I P T of the stenographic

1
2 notes of HOWARD A. RAPPAPORT, a Notary Public and
3 Certified Shorthand Reporter of the State of
4 New Jersey, Certificate No. XI00416, taken at the
5 offices of BOIES, SCHILLER & FLEXNER, 150 John F.
6 Kennedy Parkway, Short Hills, New Jersey, on Friday,
7 February 16, 2007, commencing at 3:15 p.m.

8
9 A P P E A R A N C E S:

10 BOIES, SCHILLER & FLEXNER, LLP
11 150 John F. Kennedy Parkway
12 Short Hills, New Jersey 07078
BY: ROBERT A. MAGNANINI, ESQ.,
For the Plaintiff

13 MC CARTER & ENGLISH, LLP
14 Four Gateway Center
15 100 Mulberry Street
Newark, New Jersey 07102-0652
16 BY: DAVID R. KOTT, ESQ.,
For Defendant/Third-Party Plaintiff Commonwealth Land
17 Title Insurance Company

18 FOX, ROTHSCHILD, O'BRIEN & FRANKEL
19 997 Lenox Drive
Lawrenceville, New Jersey 08648
20 BY: MUKTI PATEL, ESQ.,
For Defendants Nations Title Insurance and
Fidelity National Title Insurance

21 METHFESSEL & WERBEL
22 3 Ethel Road
Suite 300
Edison, New Jersey 08818
23 BY: MARTIN R. MC GOWAN, ESQ.,
24 For Coastal Title Agency

25

3

1 A P P E A R A N C E S (CONTINUING):

2 PASQUALE MENNA, ESQ.,
3 170 Broad Street
Red Bank, New Jersey 07701
4 For the Witness

Pierson Transcript.TXT

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I N D E X

WITNESS	PAGE	
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21 about two minutes and that was it.

22 Q what was that fellow doing in
23 Mr. Calanni's house, if you know?

24 A I do not know. He was there when I
25 arrived. I assumed at the time they were discussing

17

Pierson - direct

1 business. I was introduced to him, and there was a
2 little small talk, glad to have you on board type
3 stuff.

4 Q The Assistant United States Attorney who
5 prosecuted you at your sentencing seemed to indicate
6 that you really had no involvement with most of what
7 went on here, no direct involvement, is that correct?

8 A That is correct.

9 Q How did you get caught up in this?

10 A Mr. Calanni gave me a call. A few years
11 prior to that I had done some appraisals for him, and
12 he had asked me initially if I would do some review
13 appraisals for him. He said he was doing a lot of
14 appraisals for one company, and because of the amount
15 of them, they wanted a second signature. I agreed to
16 do this on there.

17 Later on it came in that they needed
18 different people, they wanted more than just him
19 signing on the appraisals, which is not uncommon.
20 Banks and mortgage companies don't generally like too
21 many of their appraisals done by one person. So he
22 asked if I would do some, and particularly out of the
23 area that he was working in primarily.

Pierson Transcript.TXT

24 As a result of that I did, oh, geez, two
25 or three, I think, appraisals in Trenton, and I did

18

Pierson - direct

1 one or two Red Bank, one of which was a redo of one
2 that he had done.

3 He then said that he needed and wanted
4 me to sign the appraisals that he was doing in Asbury
5 Park because he had to sign too many of them with his
6 name, and I very foolishly agreed.

7 Q Okay. Thank you for that answer because
8 I got a lot of information.

9 I'm going to ask you to explain some
10 things to me because I'm not an appraiser.

11 A All right.

12 Q You referred that Mr. Calanni wanted you
13 to do review appraisals for him. Those were the
14 words that you used.

15 Put in lay terms what a review appraisal
16 is.

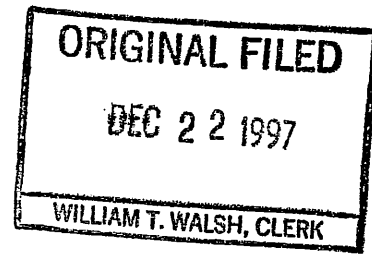
17 A What he was asking me to do is called a
18 desktop review. Essentially, you don't go out to the
19 property itself or check things, other than to look
20 the appraisal itself over and make sure that it falls
21 within the recommended guidelines for a proper
22 appraisal.

23 The comparables are recent. They are
24 within the neighborhood. There are no excessive
25 adjustments made for differences in the properties,

19

EXHIBIT F

Michael Chertoff (MC 6790)
Geoffrey S. Berman (GB 0851)
Robert A. Magnanini (RM 7356)
LATHAM & WATKINS
One Newark Center, 16th Floor
Newark, New Jersey 07101-3174
(201) 639-1234
Attorneys for Plaintiff Walsh Securities, Inc.



UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

WALSH SECURITIES, INC.,

Plaintiff,

v.

CRISTO PROPERTY MANAGEMENT,
LTD., A/K/A G.J.L. LIMITED, DEK
HOMES OF NEW JERSEY, INC.,
OAKWOOD PROPERTIES INC.,
NATIONAL HOME FUNDING, INC.,
CAPITAL ASSETS PROPERTY
MANAGEMENT & INVESTMENT CO.,
INC., CAPITAL ASSETS PROPERTY
MANAGEMENT, L.L.C., WILLIAM J.
KANE, GARY GRIESER, ROBERT
SKOWRENSKI, II, RICHARD CALANNI,
RICHARD DIBENEDETTO, JAMES R.
BROWN, THOMAS BRODO, ROLAND J.
PIERSON, STANLEY YACKER, ESQ.,
MICHAEL ALFIERI, ESQ., RICHARD
PEPSNY, ESQ., ANTHONY M.
CICALESE, ESQ., LAWRENCE M.
CUZZI, ANTHONY D'APOLITO, DAP
CONSULTING, INC., COMMONWEALTH
LAND TITLE INSURANCE COMPANY,
NATIONS TITLE INSURANCE OF NEW
YORK INC., FIDELITY NATIONAL
TITLE INSURANCE COMPANY OF NEW
YORK, and COASTAL TITLE AGENCY,

Defendants.

Civil Action No. CV 97-3496 (WGB)

Hon. William G. Bassler

**ANSWER AND AFFIRMATIVE
DEFENSES TO THE COUNTERCLAIM
OF DEFENDANT RICHARD CALANNI**

ANSWER TO DEFENDANT'S COUNTERCLAIM

Plaintiff, Walsh Securities, Inc. ("Walsh"), having its principal place of business at 4 Campus Drive, Parsippany, New Jersey, by way of answer to the Counterclaim of Defendant Richard Calanni ("Calanni"), says:

1. This paragraph states legal conclusions to which no response is required.
2. Admitted.
3. Admitted.
4. Admitted.
5. Denied as to Walsh but admitted as to the defendants.
6. Admitted.
7. Denied as to Walsh, and denied as to Calanni. The remaining allegations are admitted.

COUNT ONE

8. Denied as to Walsh, and denied as to Calanni. The remaining allegations are admitted.
9. Denied.

WHEREFORE, Walsh Securities, Inc. demands judgment dismissing Count One of the Counterclaim of Defendant Richard Calanni.

COUNT TWO

10. Walsh repeats each and every answer to the allegations contained in Paragraphs 1 through 9 above as if set forth fully herein.
11. Denied as to Walsh. The remaining allegations are admitted.
12. Denied.

WHEREFORE, Walsh Securities, Inc. demands judgment dismissing Count Two of the Counterclaim of Defendant Richard Calanni.

COUNT THREE

13. Denied as to Walsh. After reasonable investigation, Walsh does not have knowledge regarding the remaining allegations and leaves Defendant Calanni to his proofs.

14. After reasonable investigation, Walsh does not have knowledge as to defendant Calanni's beliefs and leaves defendant Calanni to his proofs.

15. Denied as to Walsh.

WHEREFORE, Walsh Securities, Inc. demands judgment dismissing Count Three of the Counterclaim of Defendant Richard Calanni.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Each and every Count of Defendant's Counterclaim fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Insofar as Defendant purports to state claims for misrepresentation and fraud, the allegations in Defendant's Counterclaims lack the particularity required by Fed. R. Civ. P. 9(b).

THIRD AFFIRMATIVE DEFENSE

Defendants' Counterclaims are barred, in whole or in part, by the applicable statutes of limitations.

FOURTH AFFIRMATIVE DEFENSE

Defendants' Counterclaims are barred, in whole or in part, by the equitable doctrine of laches.

FIFTH AFFIRMATIVE DEFENSE

Defendants' Counterclaims are barred, in whole or in part, by the equitable doctrine of waiver.

SIXTH AFFIRMATIVE DEFENSE

Defendants' Counterclaims are barred, in whole or in part, by the equitable doctrine of estoppel.

SEVENTH AFFIRMATIVE DEFENSE

Defendants' Counterclaims are barred, in whole or in part, by the equitable doctrine of unclean hands.

EIGHTH AFFIRMATIVE DEFENSE

Defendant has no authority or standing to bring this suit.

NINTH AFFIRMATIVE DEFENSE

To the extent that Defendant has sustained any injuries, such injuries, if any, were caused, in whole or in part, by the acts or omissions of others for whose conduct Walsh is not responsible.

TENTH AFFIRMATIVE DEFENSE

Walsh had no knowledge of, and was not a culpable participant in, any violations of any laws.

ELEVENTH AFFIRMATIVE DEFENSE

Walsh acted in good faith and did not directly or indirectly induce the act or acts complained of by the Defendant.

TWELFTH AFFIRMATIVE DEFENSE

Walsh violated no legal duty owed to Defendant.

THIRTEENTH AFFIRMATIVE DEFENSE

Walsh's conduct is not the cause of any injury or damages allegedly suffered by Defendant.

FOURTEENTH AFFIRMATIVE DEFENSE

Defendant was contributorily negligent, and such negligence was the proximate, efficient, and contributing cause of his damages.

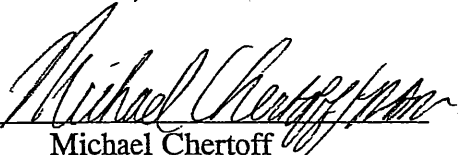
FIFTEENTH AFFIRMATIVE DEFENSE

Walsh hereby gives notice that it intends to rely upon any other defense that may become available or appear during the discovery proceedings in this case and hereby reserves its right to amend its answer to assert other related defenses as may become available.

WHEREFORE, Plaintiff Walsh Securities, Inc. seeks judgment dismissing the counterclaim of defendant Richard Calanni, against Walsh and for interest, costs, attorney fees and other relief this Court deems to be just and equitable.

Dated: December 19, 1997

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RECEIVED

DEC 22 1997

AT 8:30 1:50 P M
WILLIAM T. WALSH
CLERK

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

WALSH SECURITIES, INC.,

Plaintiff,

v.

CRISTO PROPERTY MANAGEMENT,
LTD., A/K/A G.J.L. LIMITED, DEK
HOMES OF NEW JERSEY, INC.,
OAKWOOD PROPERTIES INC.,
NATIONAL HOME FUNDING, INC.,
CAPITAL ASSETS PROPERTY
MANAGEMENT & INVESTMENT CO.,
INC., CAPITAL ASSETS PROPERTY
MANAGEMENT, L.L.C., WILLIAM J.
KANE, GARY GRIESER, ROBERT
SKOWRENSKI, II, RICHARD CALANNI,
RICHARD DIBENEDETTO, JAMES R.
BROWN, THOMAS BRODO, ROLAND J.
PIERSON, STANLEY YACKER, ESQ.,
MICHAEL ALFIERI, ESQ., RICHARD
PEPSNY, ESQ., ANTHONY M.
CICALESE, ESQ., LAWRENCE M.
CUZZI, ANTHONY D'APOLITO, DAP
CONSULTING, INC., COMMONWEALTH
LAND TITLE INSURANCE COMPANY,
NATIONS TITLE INSURANCE OF NEW
YORK INC., FIDELITY NATIONAL
TITLE INSURANCE COMPANY OF NEW
YORK, and COASTAL TITLE AGENCY,

Defendants.

Civil Action No. CV 97-3496 (WGB)

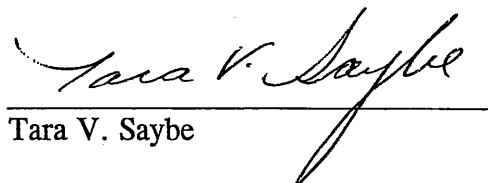
Hon. William G. Bassler

CERTIFICATE OF SERVICE

I, TARA V. SAYBE, of full age, certify and state as follows:

1. I am employed as a paralegal by the law firm of Latham & Watkins, attorneys for the Plaintiff in the above-referenced action.
2. I hereby certify that on this date, I caused an original and two (2) copies of Plaintiff Walsh Securities, Inc.'s Answers and Affirmative Defenses to Counterclaims of Defendants National Home Funding, Inc. and Robert Skowrenski, II and Defendant Richard Calanni to be filed with the Clerk of the United States District Court, District of New Jersey, Dr. M.L. King, Jr. Federal Building and Courthouse, 50 Walnut Street, Newark, New Jersey by hand delivery.
3. I further certify that on this date, I caused one copy of the within papers to be served via U.S. mail upon All Parties on the attached list.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.


Tara V. Saybe

Dated: December 22, 1997

Walsh Securities, Inc. v. Cristo Property Management
Civil Action No. 97-3496 (WGB)
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